

CableFAX Daily™

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What the Industry Reads First

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KC Goes Indy: NCTC, ACA Convene for Annual Conference

When Kansas City gets mentioned in cable news these days, it's usually in reference to **Google Fiber**. But this week, small operators will reclaim KC for cable as they gather for **The Independent Show**. The host city was chosen because this year marks the 30th anniversary of **NCTC**, which is headquartered in Kansas City. The cable co-op was founded in 1984 as a project of the **Mid-America Cable Association**, an idea hatched over a late night poker game after the Mid-America Cable Show (this year, the show will take place in Kansas City immediately after the Indy Show—a further nod to their intertwined history). It's the 9th year that the show has been a joint effort between NCTC and **ACA**. While the agenda includes innovative topics such as IP and smart homes, it's fair to assume that consolidation will be an undercurrent at the conference. "I think there is a concern over the mergers... I'm already planning to have a number of meetings with members, and they've been asking us, 'what's this going to mean? What's this going to mean for our pricing and the choice we have?'" said ACA pres/CEO *Matt Polka*. "We don't have anything specifically designed to address the merger from a panel perspective, but when you look at competition, customer service, the broadband market going forward on the panels that we have, you won't be able to have a good discussion unless you talk about the impact of the merger." Another theme expected at the Indy Show is video reform. There's some real movement, with the House approving a STELA reauthorization that has some modest retrans reform language preventing separately owned broadcast stations in local markets from jointly coordinating retrans negotiations. "That's a step for us in the right direction," Polka said, adding that it will be important to keep that momentum as Congress considers a rewrite of the Telecom Act. The Independent Show has grown substantially over the past decade. This year's 450 registered member attendees is the largest member registration to date, NCTC said. Last year's show had 301 members. Exhibitors also continue to grow, with the show featuring more than 200 this year (exhibit space sold out). Among those in the exhibit hall are **Adams Cable Equipment**, which has an FCC waiver to sell refurbished set-tops that have integrated security (ie, no CableCARD), and **Al Jazeera America**, which is looking to expand carriage into the heartland. With less chapter events and state shows, not to mention the demise of **CTAM Summit**, the Indy Show is one of the few large gatherings outside the annual Cable Show. "Unfor-

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tunately, we see the decline of larger state events, our show takes increasing prominence for picking up that slack in a lot of ways,” Polka said. But the secret sauce seems to be a bit more than that. Some of it is the amount of time devoted to making the show relevant, said NCTC svp, programming *Frank Hughes*. “We also build kind of a family affair. I think people still like that model a lot,” he said, noting that there are even planned events for children at the show. “I think the location also [helped this year]. Look at all the small towns in the Midwest. Within a 6-hour radius of here, there are hundreds of members. We seem to be getting a lot that are just driving in, not having to fly, and taking some time on the front end or back end for summer vacation.” And given the proximity, more members are bringing more employees along this year, prompting NCTC to add a customer service session.

FOX Sells Stake to BSkyB: 21st Century Fox will sell its interests in EU satellite TV provider **Sky Italia** and **Sky Deutschland** to UK op **BSkyB** for \$9.3bln, including about \$8.6bln in cash and BSkyB’s 21% interest in Nat Geo Channels International (raising Fox’s ownership stake to 73%). The deal also entails Fox’s purchase of \$900mln additional shares in BSkyB to maintain its 39.1% ownership interest. The deal, pending regulatory and BSkyB stockholder approvals, is expected to create a pan-European satellite operator with 20mln subs in Germany, Italy, Austria, UK and Ireland. Could getting \$8.6bln in cash mean another Fox bid for **Time Warner**? The company reportedly made a failed \$80bln offer for the programmer in June. In a statement announcing the EU stake sale, Fox’s chmn/CEO *Rupert Murdoch* said the company’s top priority is “increasing shareholder value in a disciplined manner and, as a result, we will only consider transactions that fully support this objective.”

Retrans Battle: The fight between MSOs and broadcasters over retrans never ends. Following the broadcaster-backed TVFreedom’s op-ed last week backing Sen *Claire McCaskill*’s bill to examine pay-TV providers’ billing practices, **Mediacom** vp *Tom Larsen* wrote the MO Democratic lawmaker Fri asking her to review broadcasters’ retrans charges. That would help the senator understand the cause of rising pay-TV service costs, Larsen said. TV station owners fear bringing transparency to their wholesale billing practices because it would “shine a spotlight on how few of the huge retransmission dollars they collect are actually reinvested in the local stations they operate,” Larson said. Instead of investing in local stations, the retrans money goes to executive salaries, dividends, stock buy-backs and acquisitions, he claimed. McCaskill, head of the consumer protection subcmte, launched a “submit the scam” web tool on her Senate website, asking consumers to weigh in about issues related to their pay-TV bills.

In the Courts: **FilmOn**, formerly known as **Aereokiller**, was found in contempt for continuing to deliver TV station service over the Internet after the Supreme Court ruled **Aereo**’s service unlawful. NY District Judge *Naomi Buchwald* ruled that FilmOn is subject to a \$90K fine (\$10K for each of the 9 days of its non-compliance). Her court previously banned FilmOn from offering its service, though the Aereo competitor argued it can continue the service after a NY appeals court overturned an injunction against Aereo. Things haven’t been going well for FilmOn lately. The US Copyright Office recently denied the company’s request for compulsory license to transmit TV programs over the Internet.

Programming: The walkers are back this fall. **AMC**’s zombie series “The Walking Dead” season 5 will return on Oct 12 with 16 eps. Like previous seasons, the 5th season will air in 2-parts, with the 1st 8 eps launching Oct 12 and the final 8 eps returning Feb, 2015. Internationally, the series will debut in 125+ **FOX International Channels** markets within 24 hours of the US broadcast. -- **AMC** booked a pilot for “White City,” a geopolitical drama centered on Western diplomats and reporters living in Afghanistan. -- **Discovery Channel**’s “Airplane Repo” returns for a new season on Aug 22. -- **Cartoon** used the San Diego Comic-Con to announce the renewal of several shows: season 7 of “Adventure Time,” season 7 of “Regular Show,” season 2 of “Uncle Grandpa,” season 2 of “Steven Universe” and 13 more half hours of “Clarence.”

Obits: Cable pioneer *Kenneth Gunter*, a key player in the founding of **C-SPAN**, died earlier this week. He was 83. Gunter served as pres of **Texas Cablevision**, based in San Angelo, and was an evp with **UA-Columbia Cablevision**. It was at UA-Columbia where he encouraged *Bob Rosencrans* to write the first \$25K check to get the ball rolling on C-SPAN. *Brian Lamb* has called Gunter the “unsung hero” of C-SPAN’s start and early success. -- Condolences to *Stuart Lipson* and his children on the loss of his wife and their mother *Shawn Lipson*, co-founder of **Leap Media Group**, after an extended battle with cancer. In lieu of flowers, please make a donation to support *Dr. Nancy Kemeny*’s Pump Research Fund at Memorial Sloan Kettering with Shawn’s name in the memo line and send to Memorial Sloan Kettering Cancer Center, Attn: Stephanie Rigione, 633 Third Avenue, 28th Floor, New York, NY 10017.

CableFAX Week in Review

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	86.30	(0.76%)	24.96%
DISH:	DISH	63.02	(2.82%)	8.81%
ENTRAVISION:	EVC	5.90	(1.17%)	(3.12%)
GRAY TELEVISION:	GTN	12.55	(1.26%)	21.02%
MEDIA GENERAL:	MEG	20.21	(9.57%)	(10.58%)
NEXSTAR:	NXST	47.65	(2.5%)	(14.5%)
SINCLAIR:	SBGI	33.61	(1.18%)	(5.93%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	18.95	1.01%	5.69%
CHARTER:	CHTR	162.35	(1.1%)	18.71%
COMCAST:	CMCSA	54.39	(0.28%)	4.66%
COMCAST SPCL:	CMCSK	54.24	(0.2%)	8.74%
GCI:	GNCMA	10.83	(2.34%)	(2.87%)
GRAHAM HOLDING:	GHC	689.56	(1.21%)	3.96%
LIBERTY GLOBAL:	LBTYA	42.53	(5.34%)	(32.45%)
LIBERTY INT:	LINTA	28.92	(0.1%)	(1.47%)
SHAW COMM:	SJR	25.36	(1.36%)	4.19%
TIME WARNER CABLE:	TWC	148.36	(0.07%)	9.49%

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	32.81	(7.94%)	(6.71%)
AMC NETWORKS:	AMCX	61.66	(5.7%)	(9.47%)
CBS:	CBS	57.73	(6.13%)	(9.43%)
CROWN:	CRWN	3.40	(10.76%)	(3.68%)
DISCOVERY:	DISCA	82.88	(2.61%)	(8.34%)
DISNEY:	DIS	86.23	0.49%	12.87%
GRUPO TELEVISIA:	TV	34.91	(2.38%)	15.37%
HSN:	HSNI	56.07	(0.27%)	(10%)
LIONSGATE:	LGF	32.10	0.12%	1.39%
MADISON SQUARE GARDEN:	MSG	60.26	(2.25%)	4.65%
SCRIPPS INT:	SNI	83.65	(1.47%)	(3.19%)
STARZ:	STRZA	29.46	(2.87%)	0.75%
TIME WARNER:	TWX	84.99	(2.57%)	21.90%
VALUEVISION:	VVTV	4.60	(10.68%)	(34.19%)
VIACOM:	VIA	86.15	0.83%	(1.85%)
WWE:	WWE	12.39	5.18%	(25.27%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	2.52	(1.56%)	(6.32%)
ALCATEL LUCENT:	ALU	3.77	2.17%	(14.32%)
AMDOCS:	DOX	47.81	(0.02%)	15.93%
AMPHENOL:	APH	97.60	1.28%	9.44%
AOL:	AOL	38.82	(0.21%)	(16.73%)
APPLE:	AAPL	97.67	3.43%	(82.59%)
ARRIS GROUP:	ARRS	33.91	3.73%	39.32%
AVID TECH:	AVID	7.62	1.46%	(6.5%)
BLNDER TONGUE:	BDR	0.95	11.76%	(5%)
BROADCOM:	BRCM	37.35	(3.59%)	25.97%
CISCO:	CSCO	25.97	0.23%	15.78%
CONCURRENT:	CCUR	7.41	0.27%	(9.3%)
CONVERGYS:	CVG	20.18	(2.79%)	(4.13%)
CSG SYSTEMS:	CSGS	26.71	(0.78%)	(9.15%)
ECHOSTAR:	SATS	51.00	(1.56%)	2.57%
GOOGLE:	GOOG	589.02	(1.02%)	(47.44%)
HARMONIC:	HLIT	6.30	(11.64%)	(14.63%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	34.25	1.63%	31.93%
INTERACTIVE CORP:	IACI	66.50	0.94%	(3.13%)
JDSU:	JDSU	11.85	(3.89%)	(8.78%)
LEVEL 3:	LVT	45.66	(1.47%)	37.65%
MICROSOFT:	MSFT	44.50	(0.43%)	18.95%
NIELSEN:	NLSN	48.21	0.37%	5.06%
RENTRAK:	RENT	50.35	(6.45%)	32.88%
SEACHANGE:	SEAC	7.69	(3.27%)	(36.76%)
SONY:	SNE	17.68	5.30%	2.26%
SPRINT NEXTEL:	S	7.72	(2.28%)	(28.19%)
TIVO:	TIVO	13.47	0.15%	2.67%
UNIVERSAL ELEC:	UEIC	48.77	(2.81%)	27.97%
VONAGE:	VG	3.60	0.28%	51.90%
YAHOO:	YHOO	36.12	8.37%	(10.68%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	35.54	(1.74%)	1.08%
CENTURYLINK:	CTL	37.58	2.20%	17.99%
TDS:	TDS	24.47	(4.15%)	(5.08%)
VERIZON:	VZ	51.28	1.04%	4.35%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	DJI	16960.57	(0.82%) 2.32%
NASDAQ:	IXIC	4449.56	0.39% 6.54%
S&P 500:	GSPC	1978.34	0.01% 7.03%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	0.95	11.76%
2. YAHOO:	36.12	8.37%
3. SONY:	17.68	5.30%
4. WWE:	12.39	5.18%
5. ARRIS GROUP:	33.91	3.73%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. HARMONIC:	6.30	(11.64%)
2. CROWN:	3.40	(10.76%)
3. VALUEVISION:	4.60	(10.68%)
4. MEDIA GENERAL:	20.21	(9.57%)
5. 21ST CENTURY FOX:	32.81	(7.94%)

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